



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 12, 2011

CERTIFIED RETURN RECEIPT
7009 3410 0001 4203 1614

Gordon Griffin
Red Dome, Inc.
5865 West 200 South
Fillmore, Utah 84631

Subject: Notice of Non-Renewal of Letter of Credit, Red Dome, Inc., Red Dome Mine, M/027/0032, Millard County, Utah

Dear Mr. Griffin:

On April 11, 2011, the Division of Oil, Gas and Mining (Division) received notification from the Bureau of Land Management that letter of credit (LOC) number _____ in the amount of \$44,000.00 will not be renewed effective June 28, 2011. Paragraph 5 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice. The Division considers this date to be March 28, 2011, the date the cancellation notice was received by the BLM.

You are hereby advised that the Division or the BLM must receive a replacement surety on or before May 27, 2011, or the Division will be forced to do any/some of the following:

- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email bondcoordinator@utah.gov. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,

Paul Baker
Minerals Program Manager

PBB:pb

Cc: oabeyta@blm.gov, jerry_mansfield@blm.gov

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